



## FOR IMMEDIATE RELEASE

### CONTACT:

Darlene Frank  
Maryland Port Administration  
410.385.4480

Jim Resnick  
MBUSA  
201.573.4018  
888.MBNEWS.1

## **NEW 20-YEAR MERCEDES-BENZ LEASE TAKES AIM AT MAKING MARYLAND'S PORT OF BALTIMORE NUMBER ONE U.S. AUTO PORT**

*Contract Solidifies Manufacturer's Long-term Commitment to Port; Significantly Impacts Maryland's Economy*

**Baltimore, MD (October 25, 2004)** – Today, Maryland Governor Robert L. Ehrlich, Jr., along with Maryland Deputy Secretary of Transportation Trent M. Kittleman and Maryland Port Administration (MPA) Executive Director James J. White, signed a new 20-year lease with Mercedes-Benz USA (MBUSA). This new, long-term lease retains, as well as strengthens, ties between the world-renown automobile manufacturer and Maryland's Port of Baltimore.

“We couldn't be happier that Mercedes-Benz has selected Maryland's Port of Baltimore as a key partner and is choosing to continue to bring business to Maryland,” said Governor Ehrlich. “This new lease has a significant impact on the entire State of Maryland.”

According to State officials, this agreement ensures \$61.6 million in revenue over the life of the lease and creates or retains a total of 330 direct jobs. It will also generate \$3.6 million in State and local taxes annually.

The contract, which features two 10-year extensions, guarantees a minimum of three million Mercedes-Benz cars imported through the Port during the first term of the contract and provides the manufacturer with up to 104 acres of land at Fairfield Auto Terminal. Once auto processing is fully operational at the MBUSA facility, the company expects to import through Baltimore 160,000 cars per year.

“This lease is historic because it is the largest lease ever between an auto manufacturer and Maryland's Port of Baltimore,” explained White.

The Port and MBUSA began a partnership nearly 40 years ago, when the first Mercedes-Benz shipment

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arrived in Baltimore in 1965. Since then, the company has continued to further solidify its commitment to the Port of Baltimore – including signing an unprecedented 10-year lease agreement directly with the Port in 2003. This latest deal makes the Port of Baltimore the U.S. point of entry for the majority of Mercedes-Benz cars bought and sold in the Mid-west.

“We as a company certainly view the Port as a strategic partner,” said Bob Barnard, Jr., MBUSA Department Manager for National Import and Domestic Logistics. “It makes sense to lease the land directly. It makes for a much more stable relationship. We feel that the MPA will be here to support our long-term objectives.”

Maryland’s Port of Baltimore is the country’s second largest handler of automobiles and is ranked number one for handling roll-on/roll-off cargo. Last year, the Port handled a record 543,597 cars – an increase of almost 24 percent over the previous year.

“With deals like this, New York may not be the number one auto port for long,” said Robert L. Flanagan, Secretary of the Maryland Department of Transportation.

This new MBUSA deal comes on the heels of another significant auto agreement that ensures Baltimore’s handling of 20 percent of the Jaguar and Land Rover vehicle volume coming into the U.S.

“Baltimore is well-suited to handle autos and other rolling cargoes across the board,” said Mel Bafford, MPA General Manager for Automobiles and Project Cargo. “Our inland and central East Coast location, combined with our strong infrastructure, are key ingredients to our success. Our quality program is the best of its kind and our facilities are second to none.”

Mercedes-Benz USA, headquartered in Montvale, N.J., is responsible for the sales, service and marketing of Mercedes-Benz products in the U.S. MBUSA sold 218,717 vehicles in the U.S. during 2003, setting the highest sales volume ever in its history for the seventh consecutive record-breaking year.

*Nearly 300 years old, the Port of Baltimore has consistently remained one of the top U.S. ports for several reasons. Located more than 160 miles inland, Baltimore is the closest U.S. Atlantic seaport to major mid-Western destinations and manufacturing centers. Nestled in the heart of the fifth largest, second wealthiest consumer market in the nation, Baltimore is a prime distribution location. The public terminals of the Port of Baltimore recently surpassed a brand new milestone...7 million tons of general cargo in FY 2003.*

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